



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

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Department of the Interior Acquisition Policy Release (DIAPR) 2013-10, Amendment 1

Subject: Equipment Lease or Purchase

References: Federal Acquisition Regulation (FAR) Subpart 7.4-*Equipment Lease or Purchase*
Government Accountability Office Report - 12 – 281R *Air Force and Interior Can Benefit from Additional Guidance When Deciding Whether to Lease or Purchase Equipment*, Feb 7, 2012 (GAO-12-281R)
Joint Memorandum between the Office of Financial Management (PFM) and the Office of Acquisition and Property Management (PAM), subject: *Guidance on Lease versus Purchase Analysis and Capital Lease Determination for Equipment Leases*, dated July 22, 2013

1. **Purpose:** This DIAPR is amended to clarify the \$15,000 requirement for the lease or purchase of equipment analysis tool and to specify policy exceptions.

2. **Effective Date:** Upon signature.

3. **Expiration Date:** No expiration unless cancelled or superseded.

4. **Background and Explanation:** Federal agencies spend significant dollars per year to lease or purchase equipment, with purchases accounting for most of the spending. The GAO found that contracting officers (COs) from the Air Force and the Department of the Interior generally did not perform lease versus purchase analyses as required by the FAR. DIAPR 2013-10 was issued September 11, 2013, to remind requestors of equipment valued at \$15,000 or greater to perform a lease versus purchase analysis as part of the procurement package submitted to the contracting office. Recently, several bureaus requested clarification to the policy regarding the \$15,000 requirement to submit the Lease versus Purchase Analysis Tool, as well as, to specify any exceptions.

5. **Action Required:** COs are required to ensure that a Lease versus Purchase Analysis Tool is included in equipment procurement packages, estimated at or above \$15,000, before proceeding with the procurement. The \$15,000 threshold is the capital equipment threshold and includes options. The program office is responsible for completing the analysis utilizing the Lease versus Purchase Analysis on Equipment Tool on Acquisitions of \$15,000 or more. To complete the tool, program offices should not contact vendors to obtain exact pricing data or quotes, but rather make contact to conduct market surveys or they can contact their local contracting office for historical cost data for similar type equipment. Procurement packages submitted without the lease versus purchase analysis tool included are considered incomplete and should not be processed. Contracting staff are encouraged to collaborate with the requesting program office to identify the missing information.

The policy applies to initial acquisition of equipment, as well as, renewal or extension of leased equipment. It does not apply to equipment that is not available for lease or available on designated Department mandatory use contracts. In circumstances when the equipment is not available for lease, the end user must provide the market research to the contracting office that demonstrates leasing is not an option in lieu of the required analysis tool. The policy also does not apply to lease to own agreements for information technology purchases (hardware and software). Software and hardware leases are capital leases, not operating leases.

6. Additional Information:

Questions about this DIAPR may be directed to Brigitte Meffert, Office of Acquisition and Property Management (PAM Office), at (202) 513-0699 or by e-mail at Brigitte_Meffert@ios.doi.gov. Questions related to the Lease versus Purchase Analysis Tool on Equipment Acquisitions of \$15,000 or more may be directed to Al Green, PAM Office, at (202) 513-7542 or via e-mail at Albert_Green@ios.doi.gov.


Debra E. Sonderman, Director
Office of Acquisition and Property Management and
Senior Procurement Executive